

**BETHLEHEM AUTHORITY
BETHLEHEM, PA**

MINUTES OF REGULAR MEETING

APRIL 13, 2006

The regular meeting of the Board of Directors of the Bethlehem Authority was held on April 13, 2006, in Room 504, City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 3:00 PM by Chairman Richard Master, with the following in attendance:

BETHLEHEM AUTHORITY

David T. DiGiacinto, Vice Chairman
Mark P. Jobes, Assistant Secretary/Treasurer (Late Arrival)
Michael A. Keyock, Treasurer
Richard L. Master, Chairman
Daniel L. Meixell, Special Police Officer
Wendy A. Nicolosi (for J. Broughal, Solicitor)
Sandra L. Reppert, Administrative Assistant
Stephen R. Salvesen, Interim Executive Director
John J. Tallarico, Jr., Secretary

CITY OF BETHLEHEM

Jeffrey Andrews, Superintendent, Water Supply and Treatment
Jean Belinski, Councilwoman
David Brong, Director of Water and Sewer Resources

THE BETHLEHEM PRESS

Greg Rogers

THE EXPRESS TIMES

Kurt Bresswein

THE MORNING CALL

Nicole Radzievich

Minutes were not approved (oversight). Minutes for the March 9th and April 13th meetings to be approved at the May 11th meeting.

COURTESY OF THE FLOOR AND RECOGNITION OF VISITORS

Mr. Master recognized Mr. Dana Grubb, Bethlehem resident; Mr. Bruce Stetler, Lehigh Mountain resident; Dr. David McGuire, representing the Sierra Club, Lehigh Valley Chapter; Mr. David Brong and Mr. Jeffrey Andrews of the City of Bethlehem; Mr. Stephen Antalics, Bethlehem resident; Mr. Mark Hilton from Coldwell Banker Phyllis Rubin Real Estate.

Mr. Grubb suggested the Bethlehem Authority should look into having its agenda and meeting minutes posted on the City's website. This will be followed-up and reported on next month.

Mr. Stetler was interested in the progress of the land sale to Lehigh County. An agreement of sale is being worked on. This matter is being presented to City Council Public Works Committee on May 2nd.

Mr. Hilton stated he is here to discuss the Mt. Pocahontas property near the Penn Forest reservoir. This topic is under New Business and will have to be discussed in an Executive Session.

REPORT OF THE CHAIRMAN

Nothing to report.

REPORT OF THE VICE-CHAIRMAN

Nothing to report.

REPORT OF THE CONTROLLER

Mr. McDonald's report for the month ended March 31, 2006, as filed in the Board book, was accepted without comment. Mr. Master indicated that there was a net increase of ~\$141,000 in the fund balances; however, \$131,595 is for the debt service payment due April 1st.

REPORT OF THE SOLICITOR

Ms. Nicolosi reported she received all the signed documents and check from the Clover Avenue property settlement. At the discretion of the Board, the monies can be deposited into the Authority's savings account or Bond Redemption and Improvement Fund. After discussion, it was decided to put the monies into the savings account to keep it liquid (due to certain expenditures not anticipated when the 2006 budget was adopted). This may need to be revisited at the May 11th meeting as it relates to the Salisbury Township land sale.

REPORT OF THE CONSULTING ENGINEER

Schoor DePalma's report, as filed in the Board book, was accepted without comment.

REPORT OF THE BETHLEHEM AUTHORITY SPECIAL POLICE

Officer Meixell's report, as filed in the Board book, was accepted without comment.

REPORT OF THE EXECUTIVE DIRECTOR

Nothing to report other than agenda items.

WATER REPORT

The Water Report, as filed in the Board book, was accepted without comment.

Mr. Salvesen noted for the record that the counties are under a drought watch and conservation measures are being asked on a voluntary basis.

REPORT OF DIRECTOR OF WATER AND SEWER RESOURCES, CITY OF BETHLEHEM

At March 31, 2006, the water fund had a balance of over \$2.5 million in cash and receivables (at the beginning of the year, the fund was ~\$400,000 positive). Revenue and expenses are favorable against plan from a net standpoint. Although considerably ahead of receipts versus the same period last year, the water fund is somewhat behind plan due to the rate increase not yet having its full effect. This will correct itself.

Water inventory is up due to the drought watch that was implemented by the State. Reservoirs are at 99.98% capacity.

The process with the Salisbury Township land sale to Lehigh County has begun. The City needs to consider how much property needs to remain with the Authority in order to buffer the above and underground reservoirs and pumping station Mr. Andrews will provide a copy of the map detailing this area to the Authority and Lehigh County. It was noted that there should be fencing erected to delineate this area. This also needs to be determined at the May 2nd Public Works Committee meeting.

APPROVAL OF BILLS

Mr. Master presented Resolution 264, Approval of Bills, to the Board for consideration and approval.

Mr. Master noted there was discussion amongst the Board concerning the Authority Forester's invoice for services for the period June, 2005 through March, 2006. (Originally, the contract was based on an hourly rate for some services and a commission rate for timber sales. The contract was re-negotiated to an hourly rate (\$75) for all services (due to timber sales being very limited).

PRAG's revised invoice of ~\$18,000 (for January) remains on hold and is not on the resolution for payment. There was question as to whether the work being done was in conjunction with the possible bond refinancing and if that work was on a contingent basis. Most of PRAG's charges dealt with the work on the strategic financial plan for the City. Mr. Master feels the bill is appropriate to be paid. There is an additional problem related to the Authority's budget being over its 2006 limit for financial advisory services for the full year. He will discuss with PRAG the possibility of paying the invoice incrementally. Mr. Brong indicated that on-going analysis of the financial position of the water system is not necessary.

On a motion by Mr. Jobes, seconded by Mr. DiGiacinto, Resolution 264 was approved unanimously by voice vote.

NEW BUSINESS

ATV Purchase. Officer Meixell updated the Board on the ATV issue. The use of an ATV will allow him more frequency and availability in areas that are difficult to access with the truck. The 2006 budget allocated \$3,400 for the purchase of a used ATV. However, the cost of a used ATV is not much less than the cost of a new ATV. He obtained three quotes, outlined in his memo, ranging from \$5,500 to \$6,500. Officer Meixell also produced the three written quotes from three deals which substantiated his memo (attached). If the Authority plans to move forward on this purchase, additional funds need to be allocated.

(It was noted that the 2006 budget allocated \$6,700 for police equipment and \$10,000 for renovations to the Wild Creek reservoir property. Any additional funds necessary to purchase an ATV could be utilized from those line items.)

Before the Authority moves forward, Ms. Nicolosi will check to make sure the Authority complies with the bidding procedures related to equipment purchases over \$4,000.

A motion by Mr. DiGiacinto to authorize the purchase of an ATV at a cost not to exceed \$6,500, pending the solicitor's review of the bidding process, was seconded by Mr. Keyock and approved unanimously by voice vote.

Stand 50 Survey. Stand 50 is an area scheduled for timbering activities before the end of this year. A survey of this area is required due to potential boundary and corner disputes. On the western side of this stand is an apparent right-of-way the Authority had years ago to access property on the other side of I-80. The existence of this right-of-way needs to be established.

Mr. Master presented a quote from Mr. Ralph Clay, PLS, for his services to survey the Stand 50 area. His fees are \$100 per hour for field work and \$75 per hour for office work. (The Authority has used Mr. Clay's services in the past.) The total estimate for his services is ~\$12,000, contingent on the City providing laborers to clear brush to create a path. The Authority's Forester will have to give Mr. Clay a definitive timeline so all efforts are coordinated to transact the timber sale in this stand.

A motion by Mr. Keyock to authorize the survey Stand 50 at a cost of \$12,000, contingent upon the City's approval and availability of providing labor to help clear the area, was seconded by Mr. Tallarico and approved unanimously by voice vote.

CD Renewal. One of the Authority's CDs matures on May 2, 2006. Ms. Reppert would like direction on the length of term the Board would like to solicit in the investment bid. In the past, these investments have been kept short term (3 months/6 months) due to rising interest rates. After discussion, Ms. Reppert was directed to send out a competitive bid for the best rate on 9 month and 12 month CDs to six banks (these investments are excess funds of the Authority held in the Bond Redemption and Improvement Fund).

Exceptional Value Petition – Tunkhannock Creek. Councilwoman Belinski informed the Board she understands Tunkhannock Township has rethought their position on the Exceptional Value classification of Tunkhannock Creek. They originally voted against it. Now with the possibility of major development and a sewage treatment plant in the area, the Tunkhannock creek could be endangered. (It was noted that changing the designation of the Tunkhannock Creek will not affect the City's ability to take water from the creek).

Mr. DiGiacinto explained he received a phone call from a person on Mr. Rick Loomis' Clean Water Action team. He had given that representative and Dr. McGuire a list of questions and action items related to the rating issue. He also requested someone to come in and personally present to the Board the specifications, requirements, and differences between high quality and exceptional value, and more importantly where the feed waters come from and how they are rated. He pointed out to Councilwoman Belinski that City Council may influence, but does not rule on this issue.

Dr. McGuire will contact the appropriate people and arrange for an expert to come to the May 11th meeting. The solicitor should also review any legal ramifications due to the change in status (i.e. our rights to transfer property, etc.)

Councilwoman Belinski said Clean Water Action is canvassing the City with fliers, asking citizens to write City Council to redesignate the Tunkhannock Creek to Exceptional Value. Mr. DiGiacinto again pointed out City Council does not have the authority on this issue.

Mr. Tallarico said a Mr. Newman from the Tunkhanna Fishing Association would like to come and talk to the Board as well.

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Recognition – Stephen Salvesen. Mr. Master and the Board recognized the retirement of Stephen Salvesen from the Bethlehem Authority, who served as Executive Director for three years. He was presented with a proclamation.

COURTESY OF THE FLOOR.

Mr. Antalics asked if the veto of another land deal in Lehigh County was related to land owned by the Bethlehem Authority. There is no relation.

Mr. Stetler asked if it has been determined who owns the Dodson Street baseball field, which is part of the land sale to Lehigh County. The Authority owns the property, but cannot locate any lease with Salisbury Township (Salisbury Township claims to have a 20 year lease for \$1, but they also cannot locate any lease). Ms. Nicolosi advises to alert Lehigh County of a claim to lease of the baseball field by Salisbury Township and what the County's position would be in the matter.

On a motion by Mr. Keyock, seconded by Mr. Tallarico, and approved unanimously by voice vote, the Board entered into an Executive Session at 4:14 PM for the purpose of discussing the Mt. Pocahontas real estate and contractual issues.

ADJOURNMENT

On a motion by Mr. Keyock, seconded by Mr. Tallarico, and approved unanimously by voice vote, the regular meeting was adjourned at 5:02 PM.

John J. Tallarico, Jr., Secretary